

UNITED STATES DEPARTMENT OF STATE
BUREAU OF POLITICAL-MILITARY AFFAIRS
WASHINGTON, DC 20520

In the Matter of:)

FLIR Systems, Inc.)

Respondent)
_____)

ORDER

WHEREAS, the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs, United States Department of State ("Department"), has notified FLIR Systems, Inc., including its operating divisions, subsidiaries, and business units (collectively "Respondent") of its intention to initiate an administrative proceeding against it pursuant to section 38(e) of the Arms Export Control Act (AECA), 22 U.S.C. § 2778(e), and its implementing regulations, the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130;

WHEREAS, the proposed charges are based on allegations that the Respondent violated section 38 of the AECA and Part 127 of the ITAR, as set forth in the Proposed Charging Letter, attached hereto and incorporated by reference herein, in connection with the unauthorized export of defense articles, to include technical data; the unauthorized provision of defense services to various countries, including proscribed destinations; violation of the terms and conditions or other limitations of license authorizations; and failure to provide accurate and complete reporting pursuant to Part 130 of the ITAR involving sensitive thermal imaging systems;

WHEREAS, pursuant to section 128.11 of the ITAR, the Department and the Respondent have entered into a Consent Agreement (attached hereto and incorporated by reference herein), whereby the Department and the Respondent have agreed to settle this matter in accordance with the terms and conditions set forth therein.

IT IS THEREFOR ORDERED:

FIRST, that the Respondent shall pay in fines and in remedial compliance measures a civil penalty of thirty million dollars (\$30,000,000) comprised of the amounts and payable, as stipulated below, in complete settlement of the civil violations arising from facts Respondent has disclosed to the Department in its Voluntary and Directed Disclosures assigned DTCC Case Numbers identified in the Consent Agreement paragraph 23 and also summarized in the Department's Proposed Charging Letter.

SECOND, one million dollars (\$1,000,000) of this civil penalty shall be paid to the Department within ten (10) days of signing of the Order, and three million five hundred thousand dollars (\$3,500,000) is to be paid within one (1) year from the date of the Order and then on the second, third, and fourth anniversaries of the date of the Order.

THIRD, fifteen million dollars (\$15,000,000) of this civil penalty will be suspended as set forth in paragraph (16)(b) of the Consent Agreement on the condition that Respondent applies this amount to self-initiated, pre-Consent Agreement remedial compliance measures undertaken prior to the date of this Order and to Consent Agreement-authorized remedial compliance costs, in all instances determined as set forth in paragraph (16)(c) of the Consent Agreement.

FOURTH, that any failure by the Respondent to apply suspended penalty funds appropriately for remedial compliance measures or provide satisfactory accounting may result (in accordance with Paragraph (16) of the Consent Agreement) in the Respondent being required to pay immediately to the Department the amount specified, less credit for amounts the Department deems to have been properly applied and accounted for as expenditures in compliance with the Consent Agreement.

FIFTH, the Department recognizes that the Respondent agrees to waive its rights to raise the defense of Statute of Limitations with regard to the

collection of the civil penalty imposed by the Consent Agreement and this Order, and that the Statute of Limitations shall be tolled until all terms of the Consent Agreement are satisfied.

SIXTH, that the Respondent, and its assignees and successors, and in the event of reorganization all affected entities or units, shall comply with the compliance measures and its obligations under the provisions of the Consent Agreement and shall do so within the deadlines established therein.

SEVENTH, that the Proposed Charging Letter, the Consent Agreement and this Order shall be made available to the public.

This Order becomes effective on the day it is signed.

A handwritten signature in dark ink, appearing to read 'Tina Kaidanow', written over a horizontal line.

Tina S. Kaidanow
Principal Deputy Assistant Secretary

Entered this 24 day of April 2018